

ASSOCIATION OF APARTMENT OWNERS
OF THE SANDS OF KAHANA
ANNUAL MEETING
MAY 1, 2003

DIRECTORS PRESENT

Michael Kaplan, Sandy Boothe, Marcus Baricuatro and Monica Moore,

CALL TO ORDER

The meeting was called to order by President Michael Kaplan at 9:00 a.m. in the meeting room of building two at the Sands of Kahana 4299 Lower Honoapiilani Rd., Lahaina, Hawaii.

PROOF OF NOTICE

Management provided proof that notice of the meeting was sent to all owners of record and posted on the property in accordance with the Association Document and Hawaii Revised Statute.

QUORUM

A quorum was established with 85.2249% of the common interest represented in person or by proxy.

APPROVAL OF MINUTES

The minutes of the last annual meeting were reviewed.

MOTION: To approve the minutes as presented. (Vinson/Daley) Passed unanimously.

REPORTS OF OFFICERS

Wayne Cober, Vice President of Consolidated Resorts Management and Jim Hentz, *General Manager of the Sands of Kahana* presented an overview of the property operation for the past year.

The fiscal 2002 audit was reviewed. The audit contained a clean opinion from the auditor. The Association operated within budget and has continued to provide reserve funding. There are no delinquent owner accounts.

ELECTION OF INSPECTORS OF ELECTION

President Kaplan asked for volunteers to oversee the election of directors. Bill Vinson volunteered.

ELECTION OF DIRECTORS

President Kaplan explained that there were two positions to be filled on the Board. Nominations were opened.

The names of Sandy Boothe, Vanda Maduli and Bill Vinson were placed into nomination. Nominations were closed. The meeting was recessed while owners cast their ballots.

Sandy Boothe and Vanda Maduli were elected to three-year terms.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Owners in attendance discussed several areas of concern related to security, building maintenance and upgrades they would like to see take place. The Board and management will review the recommendation and determine if they can be implemented.

There are three standard motions that the AOA needs to adopt. Michael Kaplan read each motion to the membership. The following motions were made:

MOTION: To instruct the Board of Directors to hold an Organizational Meeting immediately following the Annual Meeting for the purpose of electing Officers of the Association until the next Annual Meeting. (Rosse/Jennewien) Passed Unanimously

MOTION: The Association of Apartment Owners of the Sands of Kahana hereby directs that any Association income which exceeds expenses for the fiscal year ending December 31, 2003 be "rolled forward" and applied to the Operating Expenses of the Association for the fiscal year ending December 31, 2004 in accordance with IRS Revenue Ruling 70-604. (Rosse/Jennewien) Passed Unanimously

MOTION: To approve reimbursement of Directors out of pocket expenses to attend duly called meetings of the Association in an amount not to exceed \$500 per meeting. (Rosse/Jennewien) Passed Unanimously

The meeting adjourned at 10:40 a.m.